

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND**
2 **OCCUPATION.**

3 A. My name is Steve W. Chriss. My business address is 2001 SE 10th St.,
4 Bentonville, AR 72716-0550. I am Manager, State Rate Proceedings, for
5 Wal-Mart Stores, Inc.

6 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS CAUSE?**

7 A. I am testifying on behalf of Wal-Mart Stores, Inc. and Sam's West, Inc.
8 (collectively "Wal-Mart").

9 **Q. ARE YOU THE SAME STEVE W. CHRISS WHO TESTIFIED EARLIER**
10 **IN THIS DOCKET?**

11 A. Yes. I submitted testimony in this docket on November 16, 2009. My
12 Witness Qualifications Statement is found on Exhibit SWC-1.

13 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

14 A. The purpose of my testimony is to address the issues related to Rocky
15 Mountain Power's ("RMP") application for an Energy Cost Adjustment
16 Mechanism ("ECAM") and the Public Service Commission's February 8,
17 2010 Order in this docket establishing a Phase II in this docket. The fact
18 that an issue is not addressed should not be construed as an
19 endorsement of RMP's position or the position of any other party.

20

1 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMMISSION'S**
2 **FEBRUARY 8, 2010, ORDER IN THIS DOCKET?**

3 A. My understanding of the Commission's February 8, 2010, order in this
4 docket is that the Commission has established the instant phase of the
5 docket for comment on RMP's proposed ECAM or any other mechanism
6 which would address the recovery of power costs consistent with a
7 reasonable balance of public policies.

8 **Q. DID YOU ADDRESS RMP'S PROPOSED ECAM DESIGN EARLIER IN**
9 **THIS DOCKET?**

10 A. Yes. In my earlier testimony, I addressed a number of design issues with
11 the Company's proposed ECAM and outlined my concerns regarding
12 reflecting the reduction of NPC risk in the Company's rate of return and
13 the potential lack of pricing transparency in the Company's proposed
14 mechanism.

15 **Q. PLEASE SUMMARIZE YOUR EARLIER RECOMMENDATION TO THE**
16 **COMMISSION.**

17 A. My recommendation was:
18 The ECAM as proposed is not in the public interest and should be rejected
19 by the Commission. On balance, the potential costs to ratepayers
20 outweigh the potential benefits. The proposal as written, which allows
21 RMP to continue to collect net power costs ("NPC") in base rates as well
22 as to annually true-up collection through a fuel clause, if adopted, would

1 not result in a just and reasonable rate because there is no proposal to
2 adjust the Company's rate of return to reflect the reduced NPC risk. In
3 addition, the proposed ECAM denies customers the transparency in rates
4 that is a major benefit of transitioning to a fuel clause.

5 **Q. DID YOU ALSO RECOMMEND AREAS OF EXAMINATION THAT**
6 **COULD RESULT IN AN ECAM THAT IS IN THE PUBLIC INTEREST?**

7 A. Yes. My first recommended area of examination was the following:

- 8 1) The extent to which the Company's approved rate of return can and
9 should reflect the reduction in NPC risk and how this should benefit
10 customers.

11 **Q. HAS THE COMMISSION PREVIOUSLY STATED THAT A REDUCTION**
12 **IN THE VARIABILITY OF A UTILITY'S REVENUES AFFECTS ITS**
13 **BUSINESS RISK?**

14 A. Yes. In its June 27, 2008 Report and Order in the 2007 Questar general
15 rate case, the Commission stated:

16 "Economic and financial concepts hold a reduction in the variability of a
17 company's revenues affects a company's business risk." See Docket
18 No. 07-057-13, Report and Order on Revenue Requirement, June 27,
19 2008, page 14.
20

1 **Q. WHAT WAS YOUR SECOND RECOMMENDED AREA OF**
2 **EXAMINATION?**

3 A. My second recommended area of examination was the following:

4 2) An ECAM design that demonstrably improves the transparency of NPC
5 rates, which would send improved price signals to customers. Improved
6 price signals will drive more informed consumption management decisions
7 by customers, which benefits the individual customer and the utility system
8 as a whole.

9 **Q. DO YOU HAVE ANY CHANGES TO YOUR PREVIOUS**
10 **RECOMMENDATIONS?**

11 A. No. My understanding is that at this time the Company has not made any
12 substantive changes to the design of their proposed mechanism.

13 **Q. DO YOU HAVE ANY NEW RECOMMENDATIONS AT THIS TIME?**

14 A. No. At this time Walmart reserves the right to respond to any proposals
15 put forth by other parties in the docket in rebuttal testimony.

16 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

17 A. Yes.